

Senator Christopher Dodd
HELP Subcommittee on Children & Families
&
FINANCE Subcommittee on Family Policy
Hearing
“Child Care: Supporting Working Families”
Tuesday, March 19th, 2002

Good morning, and thank you all for joining us here this morning.

We have invited you to talk about one of our most basic of issues – the care of our children, the well-being of our children. Children are 20 percent of our population, but 100 percent of our future.

Today, 78 percent of mothers with school-age children are working. 65 percent of mothers with children under 6 are working. **And, more than half of mothers with infants are working.**

Most parents are simply not home full-time anymore. Many would like to be. For those who are, I introduced legislation in the Senate to provide a tax credit for stay-at-home parents. Because they, too, deserve support in their efforts to raise their children.

But most families don't have a choice. If the kids are going to eat, go to school, and have a roof over their heads, both parents must work. I don't know of any working parents who think that balancing work and family is easy. It's not.

Since 1996, the number of families receiving child care assistance has grown dramatically to about 2 million children today. But, for as many children who receive assistance, available child care funds reach only one out of seven eligible children.

As you know all too well, child care in too many communities is not affordable. And in too many more, it's not available, or, even worse, of dubious quality.

About 14 million children under the age of 6 are in some type of child care arrangement every day. This includes about 6 million infants. The cost of care averages between \$4,000 and \$10,000 a year – more than the cost of tuition at any state university.

Far too many of America's parents are left with far too little choice.

Nearly 20 states currently have waiting lists for child care assistance. Every state has difficulty meeting child care needs. No state serves every eligible child.

Now, I know that there are some who say that we don't need more money for child care, that during the last few years we have pumped billions more into child care. But, I think we have a responsibility to look at what has happened over the last few years as well.

The welfare caseload dropped by 1.8 million families from 1996 to 1999. The majority of welfare leavers are now employed in low wage jobs.

The share of TANF families working or participating in work-related activities while receiving TANF has soared to nearly 900,000 in FY99.

Between 1996 and 1999, the number of employed single mothers grew from 1.8 million to 2.7 million.

According to the Congressional Research Service, there has been a marked increase in single mothers working – from 63.5 percent in 1996 to 73 percent in 2001.

But, let's face it. Most welfare leavers are leaving for low wage jobs. On average, they are making \$7 or \$8 an hour. They are working, but they are still struggling to get by. Many low wage parents move from one low wage job to another – but rarely to a high wage job. Therefore, even over time, these parents still need child care assistance to stay employed.

I am very concerned that the Administration's welfare reauthorization plan – with no additional funds for child care, will result in states shifting assistance from the working poor to those on welfare.

Already we don't have enough child care funds for the working poor. HHS estimated a year ago that we reach about 12-15 percent of those who are eligible for child care assistance.

On Friday, a young woman from Maine, Sheila Merkison, testified before the HELP Committee. She earns about \$18,000 a year and is eligible for child care assistance, but is on the waiting list. In the meantime, she pays half her income each week to child care so that her 2 year old son has the care he needs. She told us that she's only able to do that because she and her child live on her grandmother's couch.

But, if Sheila had to pay half her income or more for rent, as many low income families do, she doesn't know what she would do with her child.

We will hear from another parent today from Florida who was lucky enough to receive child care assistance for 2 years, but on March 1, her 2 year transitional child care assistance ended. Does she now go back to welfare? This really seems like a perverse incentive. If the goal of TANF is to gear parents up to work, then we ought not pull the rug out from underneath them – which may very well result in her return to TANF.

I've heard some say the answer is flexibility – that if we give the states more flexibility, then they will step up to the plate.

A more realistic prediction would be that if we give states the resources, they will step up to the plate.

Let me tell you what flexibility without sufficient resources leads to: low eligibility levels, no outreach, low provider reimbursement rates, high co-pays, and waiting lists. Sound familiar? That's right. With the cost of child care today, even with additional resources provided over the last several years, too many of the states are forced to restrict access to low income

working parents. Assistance that is provided often limits parents' choices.

We can do better than this. Too often I hear about low income families stringing together whatever care they can find so that they can hold their jobs. For many this means Grandma one day, an aunt the next day, an uncle the following day, and then maybe the aunt's boyfriend.

It's no wonder that 46 percent of kindergarten teachers report that half or more of their students are not ready for kindergarten.

We need to look at these issues in an integrated manner. The education bill that the President recently signed will require schools to test every child every year from 3rd through 8th grade, and the results of those tests will be used to hold schools accountable.

But, if we expect children to be on par by third grade, we need to look at how they start school. The learning gap doesn't *begin* in kindergarten, it is first *noticed* in kindergarten.

If we are serious about education reform, we need to look at the child care settings children are in and figure out how to strengthen them. 75 percent of children under 5 in working families are in some type of child care arrangement. Too often it is of poor quality.

You cannot separate the issue of quality from the overall puzzle of providing child care assistance. If you do, then you'll wind up with a system for the working poor in this country where "*any safe well-lit place will do*" – as suggested by some in this Administration. [Ron Haskins actually used this phrase with staff]

Should children be left in a locked car with the windows cracked while a parent works at a mall? Should children sit in the back of a fast food restaurant at a table by themselves waiting for hours for their mother to get off work?

This is already happening in too many communities for those who have to make difficult decisions every day just to get by. I think we can do better. I think we have an obligation to do better.

Leading studies have found that early investments in children can reduce the likelihood of being held back in school, reduce the need for special education, reduce the dropout rate of high school students, and reduce juvenile crime arrest rates.

If we don't improve both the quality of child care that our children now spend so much time in and expand access to child care assistance to more of the working poor, we will be in danger of missing the boat on a whole generation of children.